

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Australia

Post:

Canberra

AUSTRALIAN CONTAINER EXPORTS RISE

Report Categories:

Agriculture in the Economy

Grain and Feed

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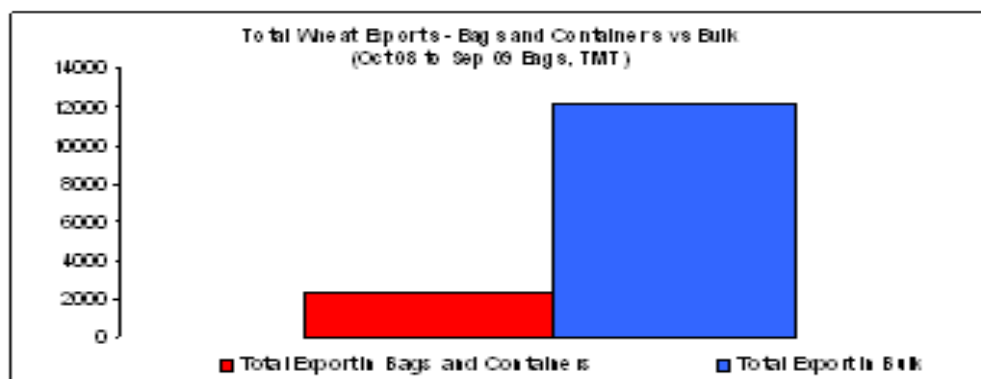
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Report Highlights:

Containerized wheat exports increased over seven percent in 2008/09 to 2.36 MMT (Oct-Sept). Since deregulation of Australian wheat exports in July 2008, containerized (and bagged) exports of wheat have grown in volume and importance.

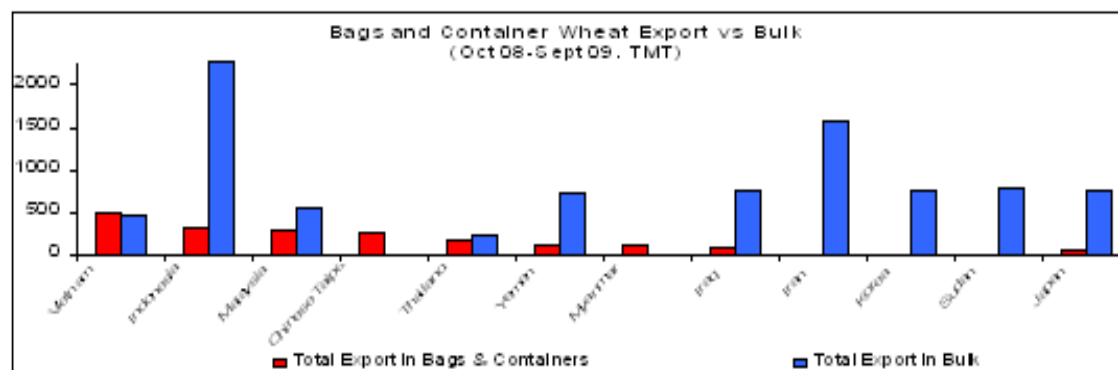
Since deregulation of Australian wheat exports in July 2008, containerized (and bagged) exports of wheat have grown in volume and importance. Previously, all containerized exports of wheat from Australia required consent from a statutory federal authority, and for a time, AWB Ltd (Australia's monopoly wheat exporter) was consulted as part of the approval process. Such legislation was criticized by would-be exporters as an unnecessary constraint.

Containerized wheat exports increased over seven percent in 2008/09 to 2.36 MMT (Oct-Sept). Despite this growth, containerized exports continue to be dwarfed by bulk exports which reached 14.45 MMT in the same period according to recently published ABARE data. The transport cost differential between containers and bulk reached an all-time low during this period and industry sources suggest that a return to normal container transport costs will likely see this growth in this trade somewhat constrained in 2009/10.



Source: ABARE - Jan 2010 Australian Wheat Supply and Exports Monthly

According to official trade data for 2008/09, containerized wheat exports are particularly important in maintaining and developing certain markets. Export markets such as Vietnam, Chinese Taipei and Myanmar all receive more Australian wheat in containers and bags than in bulk. Indonesia, Malaysia and Thailand also receive significant quantities of Australian wheat in containers and bags. Industry sources indicate that containerized wheat exports are suited to smaller and developing markets which lack the infrastructure and credit facilities to buy bulk shipments of wheat.



Source: ABARE -

Jan 2010 Australian Wheat Supply and Exports Monthly

Recent regional travel undertaken by post revealed the strengths of the containerized wheat trade. Since deregulation of wheat marketing in July 2008, smaller regional buyers of Australian

wheat have successfully used containerization of wheat to gain a foothold in the export market (although, some of these small organizations were exporting with permits prior to deregulation). Containers have proven easy to load in remote regional locations, and the premium they attract from export customers allows for higher transport costs to port from regional locations.



Photo by Mike Darby

Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:

<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

Report Number	Title of Report	Date
AS1003	Grain and Feed Lock-Up - February 2010	02/01/10
AS1001	Commercial Cultivation of GM Canola Approved in 3rd Australian State	01/27/10
AS9041	Australian Emissions Trading Scheme Excludes Agriculture	11/19/09
AS9039	Citrus Annual 2009	11/09/09
AS9038	Grain & Feed Lock-Up – November 2009	10/29/09